

# Designing and implementing successful utility reform

Many water supply and sanitation utilities around the world are locked in a vicious spiral of weak performance, deterioration of assets due to insufficient funding for maintenance, institutional discrepancies, and high incidences of political interference. This is largely the consequence of poor governance, ineffective and misdirected policies, and the monopolistic nature of the sector. In addition, utilities are frequently caught between conflicting objectives which can undermine the financial health of their organizations and more importantly, jeopardize their ability to render quality services to consumers.

Well-performing utilities show that this vicious spiral can be broken if various stakeholders engage in a reform process. Reforms should target not only the provision of high-quality services but also maintain principles for financial sustainability, effective governance, accounting, and organizational effectiveness. Utilities can also improve accountability of utility managers and employees through enhanced processes and reporting systems, as well as increase autonomy within the scope of sound financial and management principles.

## Our program

*Is your utility sustainable? Is your service coverage inclusive? Do you invest sufficient funds in operations and maintenance? Are you meeting consumer needs? Can you get a bank loan?* These are some critical challenges that senior management and executives of water utilities encounter.



*Designing and Implementing Successful Utility Reform* examines these issues and provides participants with tools and case studies helping them learn how to handle the water supply and sanitation utility reform process. The program covers the political economy of the sector, understanding consumers, and creating and selling a financial and institutional strategy for sustaining utility performance. The program examines the core issues that confront management of underperforming utilities on a daily basis, including sustainability, adequate service coverage and delivery, access to financing for operations and maintenance, and creditworthiness.

This program is designed for executives and senior management who want to create a sustainable utility. Through lectures, case studies, and interactive discussion, participants will learn how to enable transformational change within their utilities and how to create a financial

and institutional strategy for sustaining utility performance. They will also acquire fresh and integrated perspectives for effective utility reform through financial tools and lessons learned.

### Program features

Key topics covered in the curriculum include:

- Understanding the political economy surrounding the water sector and how it influences decision-making;
- Diagnosing performance gaps, development and implementation of functional and organizational strategies;
- Understanding the consumer base and aligning services to meet client demands;
- Determining the stages of reform;
- Exploring the ladder of financial sustainability;
- Internalizing the art of tariff design;
- Identifying risks related to asset management and non-revenue water;
- Development and implementation of an effective public relations campaign.

### Partners

- Arab Water Academy
- African Water Academy

### Timeline

- Africa – Spring 2010 & Fall 2011
- Middle East & North Africa – Spring 2011 & Fall 2011

*Beyond face-to-face delivery, the course will be formally offered by WBI's new e-Institute in 2011.*

### Contact

**Jenny Datto**

[jdatoo@worldbank.org](mailto:jdatoo@worldbank.org)



*WBI is a global facilitator of capacity development for poverty reduction. We connect practitioners, networks and institutions and help them to find their own solutions to address development challenges. With a focus on the 'how' of reform, we link knowledge from around the world and scale up innovations. We work with and through global, regional and country-based institutions and practitioner networks and help them develop customized programs that respond to specific needs. WBI connects globally and delivers locally.*

[wbi.worldbank.org](http://wbi.worldbank.org)